

FEDERAL/STATE E-FILING UP SHARPLY

Washington -- More taxpayers are filing their federal and state income tax returns in one action when they file electronically. With Federal/State e-filing, one transmission carries the taxpayer's federal and state information to the Internal Revenue Service. The state tax agencies then retrieve the state tax return data from the IRS for processing.

As of Feb. 20, nearly 3.7 million taxpayers -- over one-third of the 10.7 million who used standard, or computer-based, e-filing -- included a state return, up 32 percent from the same period last year. The IRS TeleFile system does not include state returns, but 19 states have their own file-by-phone systems.

Thirty-two states allow all taxpayers to use the IRS e-filing system to file their state returns. In addition, Arizona and the District of Columbia are conducting limited tests of the IRS program. Three other states -- California, Massachusetts and Minnesota -- have independent e-filing programs for state returns but do not participate in the federal program. Only five states with income taxes have no e-filing option for state returns -- Hawaii, Maine, North Dakota, Ohio and Vermont -- but North Dakota and Ohio will participate in the IRS program next year.

E-filing offers an earlier refund, greater accuracy, and acknowledgment from IRS and the state agency that they accepted the returns.

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[**EDITORS:** The 32 states fully participating in the Federal/State e-filing program are:

Alabama	Indiana	Missouri	Oregon
Arkansas	Iowa	Montana	Pennsylvania
Colorado	Kansas	Nebraska	Rhode Island
Connecticut	Kentucky	New Jersey	South Carolina
Delaware	Louisiana	New Mexico	Utah
Georgia	Maryland	New York	Virginia
Idaho	Michigan	North Carolina	West Virginia
Illinois	Mississippi	Oklahoma	Wisconsin

Nine states have no state income tax: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming.]

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1998 FILING SEASON STATISTICS

Cumulative through the week ending 2/21/97 and 2/20/98

	<u>1997</u>	<u>1998</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	32,036,000	31,582,000	- 1.4
Total Processed	18,514,000	20,530,000	10.9

E-filing -- Total Receipts:

Standard E-file	9,058,000	10,739,000	18.6
TeleFile	3,003,000	3,750,000	24.9

Refunds Certified by the Martinsburg Computing Center:

Number	17,030,000	18,933,000	11.2
Amount of principal	\$25.951 billion	\$29.388 billion	13.2
Average refund	\$1524	\$1552	1.9